



**JOINT CROSS-BORDER STRATEGY FOR THE  
DEVELOPMENT OF THE TOURIST REGION ZEMEN  
AND NISKA BANJA**



**Project “The City and the Mountain” financed under Neighborhood  
Program,**

**Bulgaria- Serbia and Montenegro, 2004**

**The project “City and the Mountain” is a joint cooperation of the Ministry of Regional Development and Public Works of Bulgaria and the European Agency for Reconstruction in Serbia and Montenegro.**

## **JOINT CROSS-BORDER STRATEGY FOR THE DEVELOPMENT OF THE TOURIST REGION ZEMEN AND NISKA BANJA**

Over decades, regional development was not regarded as an integral part of the overall socio-economic development. The essence of regional development was marginalized and analyzed as a separate and not particularly important aspect of the overall development. The fact that development had its regional and spatial quality and that defining of institutional development mechanisms was by no means regionally neutral was being constantly avoided. Regional differences were observed from the aspect of the development level, so that their economic-development, social and political repercussions were neglected. Faster development of undeveloped areas was often the goal to be reached, for the purpose of which certain funds were allocated and stimulating mechanisms were defined. Regional development goals were defined in a general way and were being repeated for years. Incentive policy, as a kind of development compensation, failed to prevent further lagging of undeveloped areas. Such approach was inevitably leading towards deepening of regional and structural development problems. Consequences on the territory of the Republic of Serbia are apparent.

The basic motives for the country's engagement in this area are enormous regional and inter-regional disparities that prevent development and initiate migration flows. Large and strategically important areas remain depopulated, and their resources unutilized. At the same time, developed centers record excessive concentration of population and economy, which provokes negative results in the economic, social, spatial and ecological sphere. The role of the state in the new regional policy is based on removing and attenuating restrictions that endangered areas are faced with, i.e. it is based on their capacitating for auto-propulsive development. It refers, in particular, to providing assistance to areas with special development problems, through investments and stimulating inflow of capital so that these areas could compensate for their structural weaknesses. In order to provide efficient support of the state, it is necessary to ensure its continuity and keep the intensity of support in the long term.

The complexity of inherited regional problems along with the emergence of new regional "transition poverty" reached such levels that it was necessary to start defining a new concept of regional development. In that context, the primary goal of the Strategy was to pass new institutional solutions, as all previous experience, and the existing tendencies in the regional development indicated that inadequate regional development was not only the consequence of defects in the implementation of the regional development policy, but of disadvantages of systemic and institutional regulatory mechanisms.

The proportions of regional disparities indicate that municipalities such as Niska Banja need such a development document for the purpose of identifying the ways for reaching the main goal to stimulate balanced regional development in the cross-border region Niska Banja-Zemen. Operationalization of this goal includes, first of all:

- Enhancing regional competitiveness;
- Reducing regional discrepancies and poverty;
- Building institutional and regional infrastructure for support of tourism-related activities.

The Strategy is based on the three pillars:

- *Determining the development level – categorization and typology of areas for cooperation in the field of tourism between Niska Banja and Zemen;*
- *Defining development policies for the purpose of stimulating regional development;*
- *Institutional Development Strategy.*

Also, passing and implementation of the Strategy are necessary for pro-european orientation of the Republic of Serbia, in order to show, by taking clear and argument-based approach, that we dispose of own defined regional strategy tolerant of all regional particularities and regional development potentials and that follows, at the same time, European standards in this area.

The Strategy is harmonized with the goals of development strategies that regulate particular areas.

## SECTION 1: BASIC PRINCIPLES OF THE REGIONAL DEVELOPMENT STRATEGY

The Strategy finds its anchorage in adhering to key principles that every successful regional development policy is based on today:

**Partnership** – partnership between local communities as social partners and institutions of private associations.

**Subsidiary** – implies gradual territorial decentralization, transferring state competencies to lower levels (local communities).

**Harmonization** – inter-ministerial harmonization of activities with the EU regulations.

**Programme orientation** – consolidation of the Strategy and policy with other development strategies.

**Support and evaluation of results** – the necessity to establish the system of stimulating balanced regional development (stable sources of funds), monitoring and evaluation of results.

## GOALS AND STRATEGIC ORIENTATIONS OF BALANCED REGIONAL DEVELOPMENT

### ***Sustainable Development***

Increasing the living standards of current generations is acceptable if the sources of wellbeing and the development factors are improved, which in turn increases the development potential of future generations. Sustainable development should result in long-term balanced development of all three components of well-being (economic, social and the environment component).

### ***Enhancing Regional Competitiveness***

The goals of Niska Banja are consistent with the key development goal of the Republic of Serbia which is providing better well-being of its citizens. In order to achieve this goal, the Republic of Serbia needs to orient its economic development strategy towards enhancing the regional competitiveness, reducing unemployment and poverty. Only by enhancing the regional competitiveness in the coming period, the average annual GDP growth rate in the Republic of Serbia can reach 7% until 2012, i.e. to reach the level of GDP per capita of around US\$ 8,000. This objective demands efficient implementation of all transition and reform processes that can activate country's regional development potentials – human, material and natural – and make the economy of the Republic of Serbia attractive to faster development of the domestic private sector and faster inflow of foreign capital. The country's primary objective is the creation of first-rate market conditions and attraction of foreign direct investments. Strong orientation of the Republic of Serbia towards faster EU accession requires the creation of “a stable and functioning market system” and “the capacity to cope with competitive pressure of EU” (Copenhagen criteria), i.e. creation of “the most competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (the Lisbon goals).

### ***Alleviation of Regional Disparities and Poverty***

Regional disproportions in the development levels of the Republic of Serbia are the highest in Europe and are increasing from year to year. This applies to the municipality of Niska Banja as well. Regional differences, observed on the level of districts (NUTS 3 level), measured by the index of endangered development are 1:7 (JDI of Belgrade is 0.8, while JDI of the Jablanica District is 5.4), while the ratio between the most developed and the most undeveloped municipality<sup>29</sup> (NUTS 4 level) was 1:15 in 2005. Realization of this goal is of extreme importance, considering the unfinished transition process. Furthermore, rundown of certain economic systems and the transition process resulted in

worsening of the parameters of undevelopment in the traditionally undeveloped South of Serbia and the area of Stari Ras and caused the former developed industrial areas of the Republic of Serbia to be in a very difficult economic and social situation, which initiated the emergence of new undeveloped areas and devastated areas. Alongside the economic growth in the period 2000-2005 every tenth inhabitant of the Republic of Serbia is poor, due to the effect of transition changes in the operation of the economic system. Regional disproportions should be less than 1:3 until 2012.

### ***Curbing negative population trends***

Depopulation (an intensive process of demographic exhaustion was recorded in 79 municipalities), migration trends (starting from 1981 the negative migration balance that was attenuated in the period 1995-2000 by inflow of refugees and displaced persons), negative natural increment (22 districts have negative natural increment), demographic aging (out of seven stages of demographic aging, all regions are in three stages: the oldest population age, older population age and old population age), infant mortality rates (double of the average of EU countries) and life expectancy (1.5 years less than the EU average) are very serious demographic and development problems.

## **CURRENT TRENDS IN TOURISM**

The tourism development priority should be oriented to increasing the tourist turnover through better offer of quantitative (better utilization of the existing and building of new, modern and various accommodation capacities) and qualitative tourism factors (further development of different forms of tourism through selective affirmation of natural, anthropogenic and cultural contents) that would lead to higher competitiveness of the region on the domestic, and wider, European market.

## **SITUATION ANALYSIS**

### **Key trends of the tourist turnover**

- The existence of tourist predispositions that are unutilized due to the closed market, unfinished privatization and restructuring of capacities;
- A small share of tourism as a sector in the economic activity;
- Decline in the number of visits of domestic tourists and positive tendencies in the number of foreign tourists;
- High dependency of tourist flows on visits of domestic tourist;
- Very unfavorable characteristics of accommodation capacities;
- Insignificant investment activity;
- Insignificant average tourist stay and the related extra spending;

- Lack of international chains;
- Incomplete and insignificant information;
- Small dispersion of tourist activities on the regional level;

Multiplicative effects of the tourism sector are reasons that this sector is considered to be the sector of the future of many countries. Its characteristic is that it can provide the highest growth of employment and creation of new jobs. Not only that tourism has important influence on creating GDP, but it has positive effects on the country's balance of payments, it generates income for the state budget, it influences local budget revenues and supports investment activities. It should be emphasized that tourism, in almost all transition countries, was one of the most attractive areas for foreign direct investments. Tourism can generate the development of undeveloped areas to a significant extent, through state aid mechanisms in arousing awareness of the local government on potentials of tourism for reaching economic growth (especially in fight for poverty alleviation), development of human resources (courses of foreign languages, catering, locality management, maintenance and courses for guides), and small-scale investments into infrastructure in the areas of tourism potential, etc.

Regions (districts) of the Republic of Serbia and the municipality of Niska Banja in particular have natural, cultural and historic potentials that can define certain types of the tourist offer. These potentials and types of tourist products are not completely utilized, as they are partly defined with differences in the existing conditions (nature, cultural and historic heritage) and partly with created conditions (availability, infrastructural equipment, the service sector, variety of sport recreation contents, tourist organization, etc.).

It is estimated that the tourism sector and its related activities account for 2.5% of the gross domestic products and 5-6% of the total employment. Generated foreign currency income from tourism for 2005 reached USD 304.1 million (12 times higher compared to 2001). The potential of attractive destinations of the Republic of Serbia as a Transdanubian, Central-European and Balkan country for attracting foreign tourists is important. Domestic tourists base their stays on short business trips or visits to fairs of administrative centres. Out of the total number of tourists, the category of domestic tourists account for 77.2%, being 13% less with regards to 2001. The total number of visits of foreign tourists in 2005 reached 1.535.790 which is 18.6% less with regards to the registered number of visits in 2001. These tourist indicators have a growing tendency for the category of foreign tourists. Further development of accommodation capacities can influence the duration of average stay and a growing trend of overnight stays of foreign tourists (in 2005, the share of overnight stays of foreign tourists in the total number of stays reached 15.3%). A total decline in the number of tourists registered on the territory of the Republic of Serbia (2005 compared to 2001) was 6.6% which resulted from higher outflow of domestic

tourists onwards destinations of other countries with more developed tourism, and non-proportionate inflow of foreign tourists, i.e. their small share in the total tourist activity. Determination of factors of tourism development of individual regions is based on the analysis of main tourist destinations. Observing main indicators with regards to 2001, eight districts (the Middle-Banat District, South-Banat, Western-Backa, Srem, Macva, Rasina, Toplica and Pirot Districts) have positive trends of the tourism activity, while a great deal of districts record a decline in the number of visits and overnight stays. Alongside natural advantages and created material capacities, results of tourism trends in most districts are on a very low level. The Tourism Development Strategy of the Republic of Serbia defined four clusters that should contribute to defining a target, internationally competitive tourism product of each region. The practice showed that geographic proximity of areas (countries) with high GDP per capita is a decisive advantage. Since 1997, the Republic of Serbia created first Euroregions that make up the system of borderline cooperation in different areas. "Danube-Kires-Moris-Tisa" is the first Euroregion that includes municipalities of the Republic of Serbia; "Euro Balkan", the Balkan Euroregion, as a form of cooperation among three cities (*Nis, Sofia and Skopje*). Several cooperation programmes have been initiated lately such as: Euroregions: "Danube 21", "Djerdap-Middle Danube" and "Drina-Sava-Majeвица", as well as the initiation of the programme "Stara planinina", "Ponisavlje", "Strume", "Pcinje" and "Morave". This type of cooperation enables wider development of tourist activities beyond the possibilities of a region, which is of special importance for regions with similar cultural-historic heritage within different countries.

## GOALS

Main goals and policies of the Joint Cross-Border Strategy for the Development of the Tourist Region Zemen and Niska Banja are formulated on the basis of the Tourism Development Strategy of the Republic of Serbia. Four main strategic orientations of the tourism development are the following:

1. Development of international tourism must stimulate economic growth, employment and the standard of living;
2. Creating a positive international image via tourism;
3. To provide long-term protection of natural and cultural resources through sustainable development of tourism, and
4. New tourist products of the Republic of Serbia must satisfy international quality standards, first of all the protection of tourism consumers in accordance with the European practice.

In order to achieve these goals and tasks it is necessary:

1. To establish an efficient destination management system by means of foundation of “destination management organizations”;
2. To create necessary instruments of influence on development, growth and building competitiveness in tourism;
3. To formulate tourism development programmes on the regional and local level, especially in protected areas for the purpose of improvement of organization, management and stimulation of tourism development;
4. To establish comprehensive tourism statistics and the monitoring system of the influence of tourism on the national economy;
5. To establish an adequate authority or organization for tourism development, as part of institutional organization for the purpose of providing the system of stimulation of investments in tourism for domestic and foreign investors; to improve building of the tourism infrastructure and establish a single quality control system in tourism.

### **Policy, Measures and Activities**

Multidimensional influence of tourism demands formulation of main policies and tasks in the areas with direct influence on the development of tourism. Development goals for individual areas are already defined under mentioned strategic documents, and are related to:

- Infrastructure and traffic;
- Tourist product;
- Human resources and the labor market;
- Networking with other sectors;
- The national tourism marketing system;
- Organization, management and stimulation of the tourism development.

According to the Tourism Development Strategy of the Republic of Serbia until 2015, nine basic tourist products are identified to have the possibility of development and market commercialization: city holiday, circular traveling, business tourism + MICE, health tourism, mountains and lakes, nautics, events, rural tourism and special interests. Investments into those tourist products and regions will initiate the tourism development of the whole country. The following elements are defined within the competitiveness programme:

Tourist companies and rivalry, referring to the size and structure of the market and the state in the area of accommodation capacities, the development of mutual cooperation of companies and the public sector and the development of legal regulation etc.;

Conditions of demand that refer to the characteristics of demand, motivation, socio-economic level, clients' behavior and satisfaction, consumer protection level, tourist characteristics of the destination etc.;

The support/offer sector which refers to complementary activities, such as contents in the area of trade in tourism, traveling agencies, accommodation facilities, food and beverages, attractions, the development of the network of local suppliers and producers, etc.;

Production factors which refer to infrastructure, technological, financial, human resources, attractions, research, innovations, etc.

Investments into infrastructure can revitalize the existing tourist offer, stimulate the private sector, introduce the application of ecological standards in tourist destinations, activate connections between the public and private sector and enable local self-government to improve the system of commercialization of the building land.

On the basis of the defined priorities under the Tourism Development Strategy of the Republic of Serbia, 50 million euros were envisaged to be invested in the development of tourism by the end of 2006 and in 2007 aimed at the realization of 52 projects of the Ministry of Trade, Tourism and Services (MTTS). The largest portion of the proposed projects refers to infrastructure building in tourism centers and to investments in the utilization of potentials of the River Danube, increasing competitiveness and marketing positioning of the tourism economy.

The investment policy in the tourism sector will be oriented towards:

1. Restructuring, rehabilitation and upgrading the quality of the existing facilities of the tourist offer (market re-positioning, application of the world criteria in categorization). It refers not only to hotel facilities in larger urban areas, but to numerous complementary accommodation capacities in social and/or state ownership in spas and other traditional destinations that are not adequately used today due to their desolate and ruined state and the inability to satisfy the modern demand. It should be specially emphasized that the rehabilitation of the existing accommodation offer, usually related to the still unfinished privatization process, should, as a rule, have priority with regards to investments into new projects ("Greenfield");

2. The development of the new accommodation offer according to the concept of sustainable development. Those are projects of development and creation of new or innovative tourist products, innovative tourist products, or large "penetration" projects which, in cooperation with the state, serve for opening of previously completely unknown and/or insignificantly valorized areas (national parks, nature parks, archeological parks, complexes of rural and industrial heritage, mountains etc.);

3. Large projects, the so called urban rehabilitation for the purpose of efficient tourist valorization of certain potentially extremely attractive, and in the process of industrialization to a large extent ruined, city zones.

### **New Institutional Solutions**

The long-term competitiveness of four basic tourism clusters (AP Vojvodina, the Belgrade region, Western Serbia and Eastern Serbia) can be influenced through the cooperation between participants of the public and private sector by means of creating transparent and stimulating conditions in the area of tourism clusters. The Tourism Law envisages the foundation of the Agency for Tourism Development in the capacity of a legal entity for performing development-related and professional business in the area of planning and development of tourism that will have a decisive role in enhancing the competitiveness of tourist clusters.

### **CROSS-BORDER COOPERATION IN TOURISM BETWEEN NISKA BANJA AND ZEMEN**

Developments in telecommunications technology, rapid increases in human mobility, changing political relationships, and many other innovations, have increased the pace of globalization. The process of globalization has brought together many countries in a variety of economic, social and political relationships, resulting in the world's economies becoming ever more part of an interdependent system (Ohmae, 1992). While this has many positive implications, globalization is outpacing the structures and rules needed to manage it. In many tourist destinations, the institutions, public administration systems, and social mindset are often ill-prepared for the rapid changes taking place. Moreover, while globalization itself is not enough to establish the political stability required for sustainable development, without globalization, cooperation and collaboration among countries would be unfeasible. Thus, in the process of globalization, cooperation and collaboration between countries are essential in achieving sustainable development including sustainable development in tourism (Timothy, 1999). Although the supply side of tourism is strongly tied to local conditions, it is not possible for tourism to remain unaffected by globalization (Miller, 2001).

The global trend toward regional commerce and economic development can only be achieved through close cooperation between neighboring countries (Niles, 1998). In this context, achieving sustainable tourism development as a guiding paradigm and as part of the broader concepts of development and sustainable development (Hunter, 1997; Tosun, 2001) depends upon many factors, such as type and scale of tourism, structure of the international tourism system, power relations among parties in the industry, the ability and

willingness of destination countries to cooperate with each other, level of development, socio-political, cultural and economic structures in destination and generating countries, and the degree of political stability in the destination region. Alongside these factors, the marketing approach adopted by destination countries also has considerable impacts on conditions for sustainability in tourism (Uztürk, 1996; Tosun and Timothy, 2001). Because many destinations are competing for the same tourists and their money, the international tourism system has led many destination countries to develop the industry in a competitive, rather than cooperative, manner (Apostolopoulos and Sunmez, 2001; 2000; Dieke and Karamustafa, 2000; Timothy, 2002; Tosun, 1999).

The role of international tour operators in directing tourism demand and shaping tourism development in destination countries is undeniable (see Britton, 1982; Ascher, 1985; Timothy and Ioannides, 2002; Tosun, 2001). Intense competition between similar tourist destinations in terms of price, rather than product differentiation and quality, and increased dependency of destination countries on international tour operators, strengthens tour operators' bargaining power. Thus, the structure of tourism puts many destination countries in a position where they cannot afford to reject or oppose the decisions of international tour operators without losing the economic benefits that may accrue. In Tosun's (1998: 606) words, "Under this condition, developing tourism in a sustainable manner at the local, national or regional level seems to be largely at the mercy of the international tour operators."

All of these factors create a tourism marketing philosophy that is hardly compatible with principles of sustainable development. A critical evaluation of marketing approaches and strategies in the targeted destinations suggests that these countries have supplied tourism products based upon international tour operators' narrow recommendations, aiming to maximize short-term profits at the expense of the environment, inter- and intra-generation equity, and balanced regional development, rather than the needs, wants and future expectations of their customers and destination residents. This kind of marketing approach indicates a combination of selling, product, and production concepts that do not reflect the concerns of local people, tourists, or the environment. It is now recognized that in order to achieve sustainability in tourism development, destination countries should adopt a social and ecological marketing management philosophy balances the needs of the tourists, the host communities, the environment, and profits (Kotler, Bowen, & Makens, 1999). Under the prevailing power structure of global tourism, it may be argued that destination countries should follow a marketing management philosophy that could be practiced through collaboration and cooperation among or between neighboring countries.

This has the potential to be beneficial in tourism demand management and marketing growth strategies, including the diversification of products, reducing promotional costs, and creating destination. With special reference to

regionalizing tourism in Australia, New Zealand and the Pacific Islands, the Pacific Asian Travel Association (1995) stated, “sustainable growth in an increasingly competitive world market place is more likely to be achieved through increased cooperation and coordination.” In this context, it is the main objective of this strategy to put a strong emphasis on cooperation between Serbia and Bulgaria in marketing growth strategies, in particular, and marketing management, in general, to achieve successful tourism development.

Admittedly, it is not an easy task to implement such a cooperative strategy under the dominating power of tour operators, which have shaped and directed tourism in both Niska Banja and Zemen. Moreover, it may be difficult to find evidence to support every contention about cross-border cooperation between Niska Banja and Zemen, owing to difficulties in obtaining information from public and private sources and the lack of written material about cross-border tourism development issues in politically sensitive countries where almost every kind of information is treated confidentially. Therefore, this paper may reflect in part a polemic based upon the authors’ own observations. On the other hand, while the paper discusses cross-border cooperation in destination marketing with special reference to Niska Banja and Zemen, it does not undermine cooperation in tourism marketing among other neighboring countries.

## SECTION 2: CROSS-BORDER COOPERATION IN TOURISM MARKETING BETWEEN NISKA BANJA AND ZEMEN: THE THEORETICAL APPROACH

Destination countries are under enormous pressure to succeed against new competitive tourism destinations in many various markets. This puts an extra emphasis on the margins of tourism. Product parity is occurring rapidly while tourists’ appetites for specialized niche products are also on the rise. Although there are already hundreds of local tourist destinations in the Mediterranean region, the thirst for additional tourist spending pushes new destinations to open their doors to tourists and multinational companies, including international tour operators. Under this highly competitive environment, cooperative tourism development strategies may help push for innovation and productivity simultaneously. “The hope here is that sustainable differentiation as well as new product and service ideas will emerge from such cooperative efforts” (Magrath, 1991: 62). While designing multi-destination travel in a single package through bilateral cooperation may satisfy tourists’ desires and needs to travel in more efficient and effective ways, such cooperation may also lead neighboring countries to develop and manage tourism in more sustainable ways. This may occur by increasing their bargaining power against international tour operators, competitiveness against their main rivals in the region, and effectiveness in environmental management. The structure of international tourism, the globalization of the world economy, and patterns of

tourism development in the region suggest that alternative marketing management strategies are essential for a more sustainable form of tourism development. In this context, Niles (1998: 9) argues that traditional tourist destinations have an interest in moving away from mass tourism into the higher value-added sectors of the industry, if for no other reason than the burden large numbers of tourists pose for the local environment. Upgrading the tourism infrastructure to accommodate a more demanding category of visitors is something the tourism sectors of the countries could profitably do together. This cooperation could be at the local government level, in the form of joint investments in projects that serve Niska Banja and Zemen, and between private companies offering packages covering both countries.

It is believed that cooperation in tourism marketing management, marketing planning, and implementation and control of designed programs can create, build and maintain mutual benefits, not only for the countries involved in cooperation, but also for tourists and other stakeholders as well (Tosun and Parpairis, 2001). Clearly, cooperation in tourism marketing management between countries can take place in various ways. As Hill and Shaw (1995) argue with special reference to tourism, cooperative marketing is a complicated process, containing long-term strategic and tactical plans. Cooperative marketing refers to the involvement of two or more individuals, groups, companies, institutions or organizations to establish a relationship to maximize mutual benefits and increase the effectiveness and efficiency of the parties involved. Cooperative marketing can take place in various ways and at different levels (Smith, Carol, & Ashford,

1995). Conventional strategies are based upon marketing mix elements (i.e., product, place, price and promotion) (Varadarajan, 1986). Cooperative marketing efforts combine partners' resources and efforts to increase mutual benefits and decrease costs (Timothy, 1998, 1999). In other words, cooperative marketing as an instrument may increase strengths, decrease weaknesses, increase the bargaining power of countries against tour operators, and open new windows of opportunity for increased cooperation. At the micro level, corporate strategists claim that cooperation creates "synergy," which means "situations where two or more activities or processes complement each other to the extent that their combined effect is greater than the sum of the parts" (Johnson and Scholes, 1984: 187). For example, "higher levels of marketing expenditure per period via the cooperative effort may produce stronger market penetration and hence growth in tourism revenue" (Hill and Shaw, 1995: 25).

The Ansoff (1988) product-market expansion grid can be used as a theoretical base to apply cooperative marketing strategies to crossborder tourism marketing growth strategies. The Ansoff grid involves market penetration, market development, product development and diversification. It is a useful tool to identify market opportunities (see Figure 1). Market penetration is a market expansion strategy that aims to gain a higher share with current products in

current markets (Kotler, Bowen, & Makens, 1999). Common tactics for market penetration includes cutting prices, increasing advertising, obtaining better store displays, and getting products into more stores. Market development is a growth strategy which identifies and develops new market segments for existing company products. Identifying and entering into new demographic and geographic markets is a common strategy for market development. Product development is a growth strategy that offers new or modified products to current market segments. Launching new brands of the same product or rejuvenating services and products to make them seem new are examples of product development (Gross and Peterson, 1987). Diversification is a growth strategy that develops new products and offers them to new markets. Companies sometimes diversify too broadly into unfamiliar products and industries, which may lead them to lose their market focus (Kotler, Bowen, & Makens, 1999). As noted, Ansoff's (1988) product-market expansion grid may be a useful theoretical model for the development of cooperative, cross-border destination marketing growth strategies. The model has the potential to lead bordering countries to identify better market opportunities by offering guidelines to cooperate in marketing strategies to increase bordering countries' market share of international tourism. Against this background, the rest of this strategy examines cooperation between Niska Banja and Zemen in terms of market penetration, market development, product development and diversification to identify opportunities for both countries to move toward a more sustainable form of tourism development.

The Ansoff product-market expansion grid was used as a conceptual framework to analyze the study results and to lead the discussion on cross-border cooperation in marketing strategies in a more systematic manner. As noted earlier, the grid involves market penetration, market development, product development, and diversification as marketing growth strategies to identify opportunities for cooperation between destination countries. The cooperative marketing growth strategies recommended in the following sections may appear to be a wish list of study participants. However, Serbian and Bulgarian local authorities and private sector representatives in both countries have already taken initiatives to cooperate in tourism development and management.

### ***COOPERATION IN MARKET PENETRATION STRATEGIES***

Several cooperative strategies were recommended by local representatives of the tourism sector, which can be evaluated within the notion of market penetration. A majority of the respondents claimed that Niska Banja and Zemen could cooperate to increase the market share of their current tourism products in their current markets. They identified three main approaches. First, both countries can

encourage their current visitors to increase their average length of stay and purchase more goods and services during their stay. Second, by cooperating, both municipalities can attract tourists who tend to visit competing destinations (e.g., Spain and Portugal). Third, they can convince potential tourists who have not visited both countries to visit both countries or at least one of them. For these market penetration approaches to succeed, the respondents suggested the following cooperative policies:

- Launching a collaborative promotional campaign, which would usually be too costly for each of them alone, would allow them to access more tourists in their current market. For example, respondents argued that both countries could advertise jointly in major newspapers and magazines in the major tourist generating countries. Niska Banja and Zemen can also use events such as World Travel Market, as an opportunity to spread the idea of a multi-destination vacation in Serbia and Bulgaria. This approach has been noted in other contexts by Timothy (1998; 1999). By working together, they can expand their exhibits in trade fairs, which may be too costly for either country on its own.
- Simplifying visa formalities and minimizing or omitting visa fees and customs taxes for tourists who visit both countries on one trip is another recommendation. Respondents also suggested that air and sea travel ought to be subsidized for foreign tourists who visit both countries on the same trip.
- Vouchers or special prices for accommodations, restaurants, and handicrafts could be offered during certain times of the year to tourists who would visit both countries on one trip or who visited one of the countries one year, but will visit the other country the following year.
- Publishing brochures and travel maps that highlight historical, cultural, and natural attractions and tourist facilities (e.g., hotels, restaurants, entertainment) in both countries, as well as exchanging brochures for each country's visitors centers to distribute, would also be beneficial. Joint Web sites could be designed to link the Web sites of each country. The joint Web site should contain information on addresses, prices and all other relevant information of hotels, travel agencies, museums, festivals, important tourist attractions, religious places, and tour operators. Free reservation numbers and contact addresses of relevant public, private and non-government tourism organizations should be available in both countries in various languages. Moreover, joint-marketing strategies may function as Niska Banja and Zemen can pre-sell one another's products while the ultimate customers-tourists-enjoy their visits in a variety of ways and in a variety of cultural contexts.

### ***COOPERATION IN MARKET DEVELOPMENT STRATEGIES***

The majority of respondents stated that both countries could seek to expand their market share by offering current products to new markets or new market segments. They believe that there are new markets whose needs might be met by the current tourism supply in Niska Banja and Zemen. Both municipalities have severe seasonal problems. Implementing some of these cooperative market penetration strategies or market development strategies may help Niska Banja and Zemen address some of their seasonality issues. For example, the tactics and strategies for facilitating tourist traffic between the two countries, and decreasing costs of travel during the off-season, may motivate potential customers to visit. In particular, these kinds of strategies have the potential to be effective in encouraging Serbian and Bulgarian people to visit one another's country during low season. In this context, most of the respondents reported that additional public-sector policies should be implemented, such as minimizing immigration formalities, and air and sea travel prices could be subsidized, particularly during the off-season, to effect cooperative market development strategies in particular and cooperative tourism marketing policies in general. Under the notion of cooperative market expansion strategies, Niska Banja and Zemen may follow what has been done at a micro level in terms of service marketing.

### ***COOPERATION IN PRODUCT DEVELOPMENT AND DIVERSIFICATION STRATEGIES***

Some arguments raised by participants may be evaluated in the context of product development and diversification strategies for market growth. As noted, while product development refers to new offerings to existing markets, diversification strategies involve introducing new products to new markets. Most informants acknowledged that both countries should consider new product possibilities. Serbian and Bulgarian tour operators could collaborate to develop competitive package tours including many different types of tourism and offer them to a broader international market. One respondent suggested that after tourists visit Zemen, they could then be involved in tours in Niska Banja or vice versa. Local respondents contended that Niska Banja and Zemen may increase their tourism product portfolio by collaborating with each other as a way of not only decreasing dependency on international tour operators, but also to increase capacity utilization and contribute to solving seasonality problems to some extent. That is to say, product differentiation may be used as a tool to increase the bargaining power of both countries against international tour operators, and thus become a tool for more sustainable forms of tourism development (Sastre and Benito, 2001; Timothy and Ioannides, 2002).

It should be kept in mind that image is a fundamental element of the amalgam of the tourism product. In fact, it is the image that the tourist purchases, for the image is part of the product. Negative events such as serious political conflicts, and earthquakes may hamper marketing efforts. Therefore, as part of product development and diversification strategies, the cultivation of an image is a vital task for destination marketers. In this regard, a majority of the respondents stated that a new image about the relationship between Serbia and Bulgaria should be created and disseminated. According to their opinion, this new image should be comprehensive and include the emergence of peaceful political, cultural, social, economic and environmental relationships between these neighbors. Moreover, heritage sites and cultural relics in both countries can be restored without losing their historical authenticity and offered as a new tourism product to international and domestic tourists.

### ***CHALLENGES TO CROSS-BORDER COOPERATIVE TOURISM MARKETING STRATEGIES***

While the study participants suggested various strategies for cross-border cooperation in marketing Niska Banja and Zemen as international tourist destinations, they also identified several obstacles to the implementation of these strategies in particular and cooperation in development efforts in general. These challenges indicate that implementing these proposed strategies for cooperation in tourism marketing will not be easy. Although some of these challenges were mentioned earlier in the paper, it is useful to discuss them under a separate heading to underline their importance. Based on the collected data, challenges to cross-border cooperative tourism marketing strategies were classified under four main sub-headings: political sensitivity and aversion; lack of financial resources; lack of experience in cross-border cooperative strategies; and structure of the international tourism system.

Similar constraints were noted by Timothy (1999) in his study of cooperation across the US-Canada border. It should be noted that these limitations are not mutually exclusive. Although there is no special reason behind this classification, it can facilitate an understanding of the limits to cross-border cooperation in tourism development efforts, at least at a theoretical level.

### **PRIORITY ACTIONS**

This section sets out the strategies, priority actions and proposals for the tourism development in the cross-border region Niska Banja – Zemen.

### **SECTION 3: STRATEGIC ECONOMIC ASSESSMENT**

The Strategic Economic Assessment was undertaken to provide an analysis of the key issues facing the Niska Banja – Zemen region which the Strategy would seek to address. The assessment follows the objectives in the national strategic documents. The next section converts them into a policy framework which is presented on a sub regional theme and a spatial basis. In effect these areas for investment provide a bridge between the analysis of the sub regional economy and the interventions that need to be agreed by partners for the five year Investment Plan.

### The Conclusions of the Assessment

The following table presents the conclusions of the Assessment comparing the data and trends (part 1) with the mapping of current activity.

<b>Objective 1: To grow the region’s businesses, focusing on key clusters, to create a radical improvement in the competitiveness, productivity and value they add to the region’s wealth.</b>	
<b>DATA AND TRENDS</b>	<b>MAPPING EXERCISE</b>
<p>1.1. Employment / Unemployment</p> <p>Generally the rate of unemployment across the region is high with most of the districts at or above 5%. Zemen is the also an area where the unemployment rate is consistently above the national average</p>	<p>Employment / Unemployment</p> <p>There are a range of interventions available to assist the unemployed to enter employment with special emphasis on Niska Banja using public and European funds</p>
<p>1.2. Productivity and Business Support</p> <p>Due to its economic structure, the region contribution to the national GDP is decreasing. This is forecast to continue, as there are too few businesses in current and future growth sectors.</p> <p>The region has very few strengths in industries forecast to grow significantly over the next 10 years.</p>	<p>Productivity and Business Support</p> <p>Most of the business support provision is outside the core budgets</p>
<p>1.3. E-Region – Business utilization of ICT, Broadband Coverage</p>	<p>Business utilization of ICT, Broadband Coverage</p>

<p>Levels of e-commerce are not in line with the rest of the national territories</p> <p>There is limited access to broadband in the upland rural areas and outside the main towns.</p>	<p>Most of the e-business support is demand led</p>
<p>1.4 Supply Chains and Trade – Exports etc.</p> <p>The region does not have the economic structure to allow it to generate wealth through exporting.</p>	<p>Supply Chains and Trade – Exports etc.</p> <p>Local government is not endowed with resources to support activities across the region</p>
<p><b>Objective 2: To achieve higher business birth and survival rates to create a radical improvement in the number of new, tourism-oriented, competitive businesses that last.</b></p>	
<p>DATA AND TRENDS</p>	<p>MAPPING EXERCISE</p>
<p>2.1 Enterprise</p> <p>Both Niska Banja and Zemen does not have the level of business birth rates seen in more developed regions.</p> <p>The region is not attracting sufficient young entrepreneurs in the future growth sectors although the cultural and environmental assets of the region attract older entrepreneurs.</p>	<p>Enterprise</p> <p>Most activity is related to developing entrepreneurship and developing volume business start-ups.</p> <p>Outside of the clusters there is limited penetration of activities around intellectual property</p> <p>Business support for high growth start-ups and the wider clusters is limited.</p>
<p><b>Objective 3: To attract and retain more private and public investment in the region’s tourism by providing the right product for investors and more effective marketing of the region</b></p>	
<p>DATA AND TRENDS</p>	<p>MAPPING EXERCISE</p>
<p>3.1 Inward Investment</p> <p>The region has not been successful in attracting investment</p>	<p>Inward Investment</p> <p>The region has comprehensive range of services as the primary vehicle for inward investment in the -region</p>
<p>3.2. Public Investment</p> <p>Health is relatively good across the region.</p> <p>The deprived wards in Zemen show</p>	<p>Public Investment</p> <p>There needs to be a thorough review of public sector investment to capture opportunities and ensure added value.</p>

poor health indicators.	
<p>3.3. Tourism and Culture</p> <p>Niska Banja attracts half of the region's tourism spend but needs to preserve its competitive advantage.</p> <p>There is a strong cultural and heritage base across the region, which is the mainstay of tourism as well as contributing to the region's quality of life package.</p>	<p>Tourism and Culture</p> <p>Most tourism and related promotion is based on landscape, culture and heritage.</p> <p>There have been very few attractions developed in recent years in the sub-region to refresh tourism and attract new and repeat tourists.</p> <p>The adoption of a regional cultural strategy could be a significant step forward.</p>
<p><b>Objective 4: To achieve a radical improvement in the development and application of education, learning and skills, particularly high-quality vocational skills in the field of tourism</b></p>	
DATA AND TRENDS	MAPPING EXERCISE
<p>4.1 Skills and Learning</p> <p>Basic skills in both literacy and numeracy are lower than the national average.</p> <p>Overall the region has high level of educational attainment at 16 and 19 years of age but the proportion of the workforce with skills is only average</p>	<p>Skills and Learning</p> <p>There is insignificant expenditure from core budgets on education, training and skills development. These budgets can be influenced to support local strategies</p> <p>There is insufficient investment in basic skills</p> <p>There is insufficient capital funding for developing remote and new provision.</p>
<p><b>Objective 5: Connect all of the region's communities to economic opportunity through targeted regeneration activity.</b></p>	
DATA AND TRENDS	MAPPING EXERCISE
<p>5.1 Regeneration and Inclusion</p> <p>Along with poor access to services rural communities are facing the decline of their local economic base.</p> <p>Poor access to training and</p>	<p>Initial projects are starting to be implemented that will develop the social enterprise support infrastructure.</p> <p>The region is eligible for EU'</p>

employment and other opportunities is resulting in a low-income economy.	Bulgaria-Serbia Neighborhood Programme.
5.2 Urban Renaissance Both Niska Banja and Zemen towns suffer from low levels of income, qualifications and employment.	Urban Renaissance Both towns plan to use tourism as a vehicle for regeneration. Sub-strategies are yet to be written.
5.3 Rural Renaissance Most parts of rural region perform poorly on openness and innovation, two key aspects in attracting creative people.	Rural Renaissance Most of the region's villages lack investment resources

#### SECTION 4: INVESTMENT THEMES

The conclusions of the strategic economic assessment enable partners to determine the main investment themes in the Strategy. These themes will provide the funding focus. This section is the bridge between the conclusions of the assessment which follow the format of the National Economic Strategy objectives, the sub regional themes that take forward RES objectives and the spatial framework for local projects.

To take account of this two sets of Investment Themes have been defined, one at regional level and the other addressing spatial issues at a local level. It will be essential that when priority actions and projects are identified that That both sub regional and spatial issues are taken into account.

##### The Regional Investment Themes

This section sets out the themes that will connect national and regional priorities, as expressed in the regional economic strategy, with local objectives. They will provide a context for the development of actions at the local level and will identify priorities that need to be achieved through regional initiatives.

The regional investment themes have been identified within the context of the six RES objectives.

Objective	Regional Theme
1: To grow the regions businesses, focusing on key clusters, to create a radical improvement in the competitiveness, productivity and value they add to the regions wealth.	Theme 1: Business support - to ensure effective provision of business support tailored to the region's priorities, maximising the impact of regional investment in clusters
2: To achieve a higher business	

birth and survival rates to create a radical improvement in the number of new, competitive businesses that last.	
3: To attract and retain more private and public investment in the region by providing the right product for investors and more effective marketing of the region	Theme 2: Culture - to develop the cultural assets of the cross border region for economic benefits  Theme 3: Inward Investment - to ensure effective promotion of the cross border region Theme 4: Tourism - to develop integrated approaches to the development of the tourism business.
4: To achieve a radical improvement in the development and application of education, learning and skills, particularly high-quality vocational skills.	Theme 5: Skills - to ensure that people have the skills and aspirations to fulfill their potential and sustain economic prosperity Theme 6: Social Inclusion - to ensure that social inclusion issues are addressed in the implementation of the Strategy
5: Connect all the regions communities to economic opportunity through targeted regeneration activity.	Theme 7: Renaissance - to build a collaborative approach connecting renaissance issues across the cross border region.
6: Enhance and utilise the regions infrastructure of physical and environmental assets.	Theme 8: Broadband - To ensure a comprehensive coverage of Broadband infrastructure and active usage  Theme 9: Environmental Enhancement - To develop projects and proposals to improve the environment.

## SECTION 5: REGIONAL PRIORITY ACTIONS

This section sets out the strategies for each regional investment theme and proposes regional priority actions where appropriate. These specifically concentrate on actions that cover the region as a whole or areas covering more than one spatial investment theme. Some themes are however largely or even wholly implemented at a spatial level while with others the focus of resources management is on regional level. This could change over time but at this stage

the regional themes that will manage significant resources are those for Business Support and Skills.

The other themes will generally be implemented either at the spatial level or will have a limited number of activities delivered regionally.

For each theme there are sections on

- Strategic leadership
- Strategy
- Priority actions
- Strategyproposals

Resources have also been made available to provide support for the continued development of the Strategy.

There is a need for further discussions on how the RDA resources can be utilised.

<b>Regional Theme</b>	<b>Priority Actions</b>
<p>Theme 1: Business support-to ensure effective provision of business support tailored to the region’s priorities, maximizing the impact of regional investment in tourism clusters</p>	<ul style="list-style-type: none"> <li>• Increasing the number of high growth businesses related to tourism</li> <li>• Increasing the number of tourism businesses exploiting better business practices</li> <li>• Ensuring the survival of those businesses with significant importance to the local economy</li> <li>• Ensuring that no business fails due to lack of information or knowledge</li> <li>• Increasing the quality, consistency and impact of tourist services</li> </ul>
<p>Theme 2: Culture - to develop the cultural assets of the region for economic benefits</p>	<ul style="list-style-type: none"> <li>• Transforming Festivals and Events</li> <li>• Transforming Heritage Landscapes</li> <li>• Transforming Outdoor Adventure</li> <li>• Connecting Culture through</li> </ul>

	new Media / ICT
Theme 3: Inward Investment - to ensure effective promotion of the region	To build on the developing delivery structure
Theme 4: Cross Border Tourism Marketing - to develop integrated approaches to the development of the tourism business	<ul style="list-style-type: none"> <li>• Implementation of tourism structure</li> <li>• Development of Destination Management Plans</li> <li>• Implementation of Tourist Information Provision review</li> <li>• Improved quality of tourism product.</li> <li>• Increase utilization of e-commerce and customize packaging of tourism product</li> </ul>
Theme 5: Skills - to ensure that people have the skills and aspirations to fulfill their potential and sustain economic prosperity through tourism-related businesses	<ul style="list-style-type: none"> <li>• Aspiration raising/widening participation/first steps</li> <li>• Information, advice and guidance</li> <li>• Skills for Life</li> </ul>
Theme 6: Social Inclusion -to ensure that social inclusion issues are addressed in the implementation of the Strategy	To be determined in the comprehensive plan
Theme 7: Renaissance - to build a collaborative approach connecting renaissance issues across the cross border region	To be determined in the comprehensive plan
Theme 8: Environmental Enhancement - To develop projects and proposals to improve the environment	To be determined in the comprehensive plan

## BUSINESS SUPPORT

Theme 1: to ensure effective provision of business support tailored to the sub-region's priorities and maximize the impact of regional investment

### Strategic Leadership

The strategic leadership for business support lies with Business Link working through the Business Support Partnership. Business Link coordinates the work of the Business Support Partnership in order to maximize the integration, quality

and impact of all business support activities in the cross border region - whether funded by national, regional or local sources and irrespective of the type of provider.

## Strategy

The main thrust of the vision is that by 2009 there will be substantially more businesses than at present achieving high growth, and substantially more operating within high growth industries. It is intended to achieve a significant increase in the number of companies, and the share of total employment in companies, achieving high growth in the field of tourism. Many, but not all, will be in defined high growth sectors and regional clusters.

It is recognized that promoting entrepreneurship and the enterprise culture is broader than just business support - as it embraces culture, image and education - and the business support strategy focuses on support for those at the stage when they are actively considering setting up a tourism-related business

In addition, the importance of working with and through other parts of the partnership to help create the environment in which local businesses can survive and grow is recognized. This includes issues such as premises, investment, skills and infrastructure. There are six strategic objectives

1. Increasing the number of businesses in high growth sectors
2. Increasing the number of high-growth businesses
3. Increasing the number of businesses exploiting better business practice in key functions in order to enhance their productivity and competitiveness
4. Ensuring the survival of those businesses with significant importance to the local economies
5. Ensuring that no business fails due to lack of information or knowledge - by providing a core service to all pre-starts, start-ups and existing businesses
6. Increasing the quality, consistency and impact of public sector funded business support - through the implementation of Better Deal for Business and through effective regional and cross-border regional partnerships.

Specific priority themes have been agreed for business support in the Objective Two areas of the cross border region Niska Banja-Zemen. These are

- Clusters - particularly high value added tourism, digital, food and drink and food and tourism and high value added manufacturing
- Innovation and best practice amongst high growth businesses and high growth start-ups - including incubation for high growth businesses
- Young entrepreneurs, women and social enterprises

- Best practice developments in ICT and the business; supply chain management; environmental technologies and management development

There are four sub-regional priority actions over the next two years

- High growth start up - an extension to the current initiative
- Developing Inclusive Business Support - four areas of activity - social enterprise, women, rural, ethnic minorities
- Addressing the demographics of business support - three areas of activity - succession planning, young entrepreneurs and third age entrepreneurs
- Maximizing Objective 2 - Priorities 1 and 2

## **DEVELOPING THE CULTURAL ASSETS OF THE CROSS BORDER REGION FOR ECONOMIC BENEFITS**

### Strategy

The context for the Cultural Prospectus is Special Place, Special People the cultural strategy framework for the region which set out 6 key areas:

- Providing equality of opportunity - Raising quality, changing the image of culture from something someone else does to something everyone wants to and can do, removing barriers, raising awareness of the opportunities available
- Building on strengths - Preserving and sustaining our outstanding assets, and managing them more effectively
- Developing effective partnerships and communication networks - both inside the cultural sector and with other sectors, business, education, health, but also linking communities through technology
- Developing individuals and communities - through opportunities to acquire skills, knowledge and experience through cultural activity in order to tackle wider challenges such as social exclusion, community safety
- Raising the profile of culture - so that the benefits of cultural activity are widely understood and it attracts sufficient investment
- Supporting the Cultural Economy - the culture and tourism are vital components of our economy and need to be supported through events and infrastructure
- The Cultural Prospectus identifies priority actions. These fit within four themes chosen because they are:

- Transformational - ensuring that our cultural provision presents a stronger, more dynamic, exciting, and youthful, brand image of Niska Banja and Zemen as a place to live, to do business, to visit
- Hapening now - they have momentum, they have partners on board, they are deliverable
- Built on our strengths - particularly our unique landscape, our coastline, our world quality heritage, our digital clusters
- Focused on economic priorities - building excellence in the tourism product, renewing infrastructure, building the new rural economy
- High impact - across the country, exciting interest, galvanizing action, providing the focus for joint working

## **DEVELOPING INTEGRATED APPROACHES TO THE DEVELOPMENT OF THE TOURISM BUSINESS.**

For partners within the region, the investment partnership seeks to bring together the main organizations. There is a need to develop partnership working within the context of the emerging management arrangements.

### Strategy

The current vision for tourism in the region is that “Niska Banja is a must see destination in Europe” where:

- Sustainable tourism is a high quality, accessible and informative experience, regional, national and international visitors are attracted to the regions brand which communicates quality, diversity, customer focus and our cultural richness.
- Tourism businesses have the infrastructure which maximizes their marketing potential, promotes collaboration, and delivers the greatest economic benefits for the whole of the local, sub-regional and regional economy.
- Jobs in tourism are high skilled, often permanent, and well paid.
- Tourist businesses are in sustainable balance, attracting entrepreneurial talent, and recognize their wider economic and environmental interdependencies.

### Priority Actions

Regional Priority Actions	Aims/objectives
Implementation of tourism structure	Create “seamless service” for customer
Development of Destination Management Plans	Direct strategic investment in tourism
Implementation of Tourist	Rationalised TIC network with

Information Provision review	Hubs, Gateways and Spokes TICs/TIPs
Improved quality of tourism product	Increased visitor experience and repeat business
Increase utilization of e-commerce and customize packaging of tourism product	Provision of real time product meeting the needs of customers and increasing market share

## REFERENCES

1. Agelis, Y. and Falirea, L. (1996). Tourism and the cross border economy. *Tourism and Economy*, 214, 53-79.
2. Ansoff, H.I. (1988). *New corporate strategy*. New York: Wiley.
3. Apostolopoulos, Y. and Sunmez, S. (2000). A new direction in Mediterranean tourism: Restructuring and cooperative marketing in the era of globalization. *Thunderbird International Business Review*, 42(4): 381-393.
4. Apostolopoulos, Y. and Sunmez, S. (2001). Restructuring and strategic alliance in Mediterranean tourism. In Y. Apostolopoulos, P. Loukissas and L. Leontidou
5. (Eds.), *Mediterranean tourism: Facets of socioeconomic development and cultural change* (pp. 283-290). London: Routledge.

6. Ascher, F. (1985). *Tourism transnational corporations and cultural identities*. Paris: UNESCO.
7. Britton, S.G. (1982). The political economy of tourism in the Third World. *Annals of Tourism Research*, 9: 331-358.
8. Buhalis, D. (1998). *Tourism in Greece: Strategic analysis and challenges for the new millennium*. Aix en Provence: ICRST.
9. Christodoulakis, M. (2002). Good neighbours make good investors. (Online). Available: <http://www.greece.gr/POLITICS/SouthEastEurope/goodneighboursmakegoodinvestors>.
10. Covey, C. (1993). Official: Africa group must get its act together. *Travel Weekly*, 52(36): 1-4.
11. Dieke, P.U.C. and Karamustafa, K. (2000). Cooperative marketing in the accommodation subsector: Southeastern Mediterranean perspectives. *Thunderbird International Business Review*, 42(4): 467-497.
12. Economic Intelligence Unit (1993) *International tourism report of Serbia*. *International Tourism Report*, 3: 77-97.
13. Gross, C.W. and Peterson, R.T. (1987). *Marketing: Concepts and decision making*. New York: West Publishing.
14. Hansen, N. (1983). International cooperation in border regions: An overview and research agenda. *International Regional Science Review*, 8: 255-270.
15. Hill, T. and Shaw, R.N. (1995). Co-marketing tourism internationally: Bases for strategic alliances. *Journal of Travel Research*, 34(1): 25-35.
16. Hunter, C. (1997), Sustainable tourism as an adaptive paradigm. *Annals of Tourism Research*, 21 (4):850-867.
17. Johnson, G. and Scholes, K. (1984). *Exploring corporate strategy*. Englewood Cliffs, NJ: Prentice-Hall.
18. Kotler, P., Bowen, J. and Makens, J. (1999). *Marketing for hospitality and tourism*. London: Prentice Hall.
19. Leimgruber, W. (1989). The perception of boundaries: Barriers or invitation to interaction? *Regio Basil iensis*, 30: 49-59.
20. OECD (1995a). *Tourism policy and international tourism in OECD member countries*. Paris.
21. OECD (1995b) *Tourism policy and international tourism in OECD member countries 1992-1993, special feature tourism employment*. Paris.
22. Ohmae, K. (1992) *The borderless world: Power and strategy in the global marketplace*. London: Harper Collins.
23. Smith, K.G., Carol, S.J. and Ashford, S.J. (1995). Intra and interorganizational cooperation: Toward a research agenda. *Academy of Management Journal*, 38 (1): 7-23.
24. Timothy, D.J. (1998). Cooperative tourism planning in a developing destination. *Journal of Sustainable Tourism*, 6(1): 52-68.

25. Timothy, D.J. (1999). Cross-border partnership in tourism resource management: International parks along the US-Canada border. *Journal of Sustainable Tourism*, 7(3/4): 182-205.
26. Timothy, D.J. (2001). *Tourism and political boundaries*. London: Routledge.
27. Timothy, D.J. (2002). Tourism in borderlands: Competition, complementary, and cross-frontier cooperation. In S. Krakover and Y. Gradus (Eds.), *Tourism in frontier regions*, (pp. 233-258). Baltimore: Lexington Books.
28. Timothy, D.J. and Butler, R.W. (1995). Cross-border shopping: A North American perspective. *Annals of Tourism Research*, 22: 16-34.
29. Timothy, D.J. and Ioannides, D. (2002). Tour operator hegemony: Dependency, oligopoly, and sustainability in insular destinations. In Y. Apostolopoulos and D.J. Gayle (Eds.), *Island tourism and sustainable development* (pp. 181-198). Westport, CT: Praeger.
30. Woodside, A.G. and S. Lysonski (1989). A general model of traveler destination choice. *Journal of Travel Research*, 27(2): 8-14.